

Service Date: August 13, 1984

DEPARTMENT OF PUBLIC SERVICE REGULATION  
BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MONTANA

IN THE MATTER OF THE APPLICATION OF )	
THE MONTANA POWER COMPANY FOR )	
AUTHORIZATION TO ASSUME LIABILITY )	DOCKET 83.3.20
TO PAY AMOUNTS SUFFICIENT FOR THE )	ORDER NO. 4973d
PAYMENT OF NOT TO EXCEED \$25,000,000 )	
OF POLLUTION CONTROL REVENUE BONDS )	
TO BE ISSUED BY THE CITY OF FORSYTH, )	
MONTANA. )	

ORDER

The Montana Power Company ("Applicant") has filed with the Public Service Commission its verified Application, as supplemented, pursuant to §§69-3-501 through §§69-3-507 of the Montana Code Annotated ( "MCA" ) seeking an order authorizing it to consummate the transactions proposed therein, including the borrowing of \$25,000,000 from the City of Forsyth, Montana ("City"), the assumption of liability to pay amounts sufficient for the payment of the principal of, and premium, if any, and interest on, \$25,000,000 of certain pollution control revenue bonds ("Bonds") to be issued by the City, and the execution and delivery of a Reimbursement Agreement evidencing Applicant's obligation to repay all drawings which may be made under a letter of credit to be issued to secure payments to with respect to the Bonds. The Commission, by Order Nos. 4973, 4973a, 4973b and 4973c has granted its preliminary approval of the Application, as supplemented.

The Application, as supplemented, states that:

1. Applicant is a public utility, as defined in MCA §69-3-101, in that it furnishes electric and natural gas service in the state of Montana; that Applicant's principal executive office is at 40 East Broadway, Butte, Montana; and that Applicant is duly qualified to do business in the

states of Montana, Wyoming and Idaho. Detailed information with respect to the general character of Applicant's business and the territory served by it is set forth in the Application, as supplemented, on file in this Docket.

2. The City proposes to issue and sell to underwriters \$25,000,000 principal amount of the Bonds.

3. The proceeds from the sale of the Bonds, net of underwriters, compensation, will be loaned to Applicant pursuant to a Loan Agreement between the City and Applicant. Applicant will use these borrowings to finance a part of the Company's cost of certain pollution control facilities constructed and being constructed at the Colstrip Units Nos. 3 and 4.

4. The Bonds will be dated as of August 1, 1984, will mature on August 1, 2014, and will bear interest during the period August 16, 1984, to September 3, 1984, at the rate of 6.55 percent per annum and, thereafter, at varying rates determined as provided in the indenture pursuant to which they will be issued.

Further information regarding the proposed transactions is contained in the Application, as supplemented, and exhibits on file in this Docket.

Expenses in connection with the proposed transactions are to be paid from the proceeds of the Bonds.

Other than approval of this Commission, no regulatory authorization is required for Applicant to carry out the proposed transaction.

The consummation by Applicant of the proposed transactions will be proper and lawful under provisions of Montana law.

The Application, as supplemented, requests that the Commission issue its Order authorizing Applicant consummate the transactions proposed therein.

### FINDINGS OF FACT

1. Applicant, The Montana Power Company, is a corporation organized and existing under and by virtue of the laws of the state of Montana and is qualified to transact business in the state of Montana.
2. Applicant is operating as a public utility, as defined in MCA §69-3-101, and, as such, is engaged in furnishing electric and natural gas utility service in the state of Montana.
3. The Commission has jurisdiction over the subject matter of the Application under MCA §§69-3-501 through §§69-3-507, inclusive.
4. Pursuant to MCA §69-3-504, notice of the filing of the Application and the First, Second and Third Supplemental Applications has been given by inclusion of the Application, as supplemented, in the Commission's agenda for April 11, 1983, and February 27, May 21 and August 6, 1984.
5. Due consideration has been given to the matters presented and filed in connection therewith; and the Application, as supplemented, should be approved as hereinafter ordered.
6. The transactions proposed by Applicant, as hereinafter authorized, will be for lawful purposes and are consistent with the public interest; such transactions will be appropriate for and consistent with the proper performance by Applicant of service as a public utility in the state of Montana and will not impair its ability to perform that service; the proposed transactions are reasonably necessary and appropriate for such purposes; and upon the consummation of the proposed transactions, the aggregate amount of securities to be outstanding and to be guaranteed by Applicant will not exceed the fair value of its properties and business.

### CONCLUSION OF LAW

The Application, as supplemented, herein complies with MCA §§69-3-501 through §§69-3-507 and other laws of Montana, as aforesaid, and the same should be granted as hereinafter ordered.

### ORDER

NOW, THEREFORE, at a session of the Public Service Commission of the state of Montana, held in its office at 2701 Prospect Avenue, Helena, Montana, on August 13, 1984, there regularly came before the Commission for final action the matters and things in this Docket. The Commission being fully advised in the premises makes and enters the following Orders:

IT IS ORDERED that the Application, as supplemented, of Applicant, The Montana Power Company, in this Docket is hereby approved; and that Applicant is hereby authorized prior to December 31, 1984, to borrow \$25,000,000 from the City of Forsyth, Montana, to assume liability to pay amounts sufficient for the payment of the principal of, and premium, if any, and interest on, \$25,000,000 of the Bonds to be and to execute and deliver a Reimbursement Agreement evidencing Applicant's obligation to repay all drawings which may be made under a letter of credit to be issued to secure payments with respect to the Bonds, such transaction to be consummated on the terms and subject supplemented, and the documents filed as exhibits thereto.

IT FURTHER ORDERED that the foregoing authorization is without prejudice to the regulatory authority of this Commission with respect to rates, service, accounts, valuations, estimates or determinations of cost, or any other matter subject to its jurisdiction as provided by law.

IT IS FURTHER ORDERED that nothing in this Order or any act or deed done or performed in connection herewith shall be construed to obligate the State of Montana to pay or guarantee in any manner whatsoever any security authorized by this Order or authorized, issued,

assumed or guaranteed, under the provisions of MCA Section 69-3-501 through Section 69-3-507.

DONE IN OPEN SESSION at Helena, Montana this 13th day of August, 1984 by a 4 - 0 vote.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION.

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Thomas J. Schneider, Chairman

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John B. Driscoll, Commissioner

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Clyde Jarvis, Commissioner

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Danny Oberg, Commissioner

ATTEST:

Madeline L. Cottrill  
Commission Secretary

(SEAL)

NOTE: Any interested party may request the Commission to reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM.